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# Annual Report



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Marijo McCarthy

**T**he Massachusetts Industrial Finance Agency's 1983 Annual Report marks the celebration of the agency's fifth anniversary. The report celebrates a legacy of achievement and diversity, highlighting the ties between basic manufacturing and new technologies that have formed the foundation of our economy. Moreover, we celebrate a \$2.4 billion cooperative effort between a public agency, private lenders, and employers. These efforts have facilitated industrial expansion, downtown revitalization, and greater employment opportunities.

MIFA dedicates this report to Massachusetts' colorful industrial history and the promise of future innovation and technology. The history of our Commonwealth quickly reveals several ingredients that contributed to the remarkable growth that has occurred during the last 300 years. Each region of the state had (and still has) its own

distinctive attributes. However, the same ingredients— invention, ingenuity, quality workmanship, adaptability— have enabled successive generations to surmount new challenges and create many prospects for a brighter future.

MIFA takes pride in the contributions that its programs have offered to the state's industries and urban areas. We look forward to helping smaller businesses continue their growth and to participating in the future prosperity of Massachusetts and its people.

#### The Record

Year	Projects	Financings	New Industrial Jobs
1983	258	\$ 714,750,000	9,774
1978-1983	1,423	\$2,366,070,900	57,207



## Management Report

The Massachusetts Industrial Finance Agency celebrated its fifth anniversary of service to the Commonwealth of Massachusetts in 1983. Through its financing incentives, MIFA has given smaller businesses access to reasonably priced capital during an unprecedented period of high real interest rates. In addition to stimulating new vitality in our downtowns, the agency's industrial revenue bond program has helped fuel the dramatic growth of high technology companies and the strong recovery of more traditional industries.

Through successive eras innovation has improved productivity for older firms, even as high technology manufacturers today depend upon plastics, wire, paper and other goods so much a part of the state's industrial heritage. This pattern was reflected in the diverse mix of high technology firms and traditional enterprises that received the agency's assistance last year, helping make 1983 another impressive year for MIFA. In all, the agency approved \$420.5 million of below-market financing for 254 industrial and downtown commercial revitalization projects, as well as \$294 million for important pollution control and solid waste projects.

When Governor Dukakis and the state legislature created MIFA in late 1978, they could not have predicted the staggering rise in interest rates which would cripple the economy nationally. Since that time, MIFA has helped employers create an estimated 57,000 jobs by

offering them the opportunity to obtain affordable capital.

Let's look at what MIFA's first five years of operation have meant to Massachusetts.

MIFA's first five years have meant \$2.4 billion of financing for 1,423 growing businesses. This includes \$347 million for revitalization projects in 61 communities which have Commercial Area Revitalization Districts (CARDs).

MIFA's first five years have produced new employment opportunities and more modern facilities for our labor force. As a result of expansions financed through the agency's incentives, the business community expected to create 57,207 new industrial jobs and generate billions of dollars of construction work which have helped the Commonwealth emerge from the recent recession with the lowest unemployment rate of the major industrialized states.

MIFA's first five years have meant greater assistance for smaller businesses, which are particularly sensitive to the fluctuating cost of capital. Two out of every three MIFA-assisted firms have less than 100 employees in the state, and over half have sales under \$5 million. Yet these innovative young companies generate the most jobs for the economy.

And MIFA's first five years have sparked the rebirth of many of our downtowns. While just a few

short years ago these downtowns experienced disinvestment and deterioration, MIFA's financing has stimulated new uses for older, historic buildings in those commercial areas, leading to renewed optimism for local merchants.

As the economy continues its recovery, MIFA is committed to building on this record by providing attractive financing alternatives to benefit smaller businesses.

MIFA's staff devoted much of 1983 to developing a program for selling bonds through the public markets on an easily repeated basis. The result—the Guaranteed Loan Program—was introduced across the state during the latter part of the year.

The Guaranteed Loan Program will expand the use of MIFA's small insurance fund to benefit potentially hundreds of growing companies. MIFA will combine several projects into one pool and then guarantee each bond through its insurance reserve fund. MIFA has arranged for a major reinsurance company to reinsure the major portion of MIFA's commitment in order to enhance market acceptance. Local banks will participate in this program through a small, renewable one-year letter of credit for each borrower.

The bottom line for the growing company will be access to financing for plant and equipment at fixed interest rates over longer maturities than are usually available.

We believe that the Guaranteed Loan Program marks a major advance in MIFA's assistance to smaller businesses by creating a way for institutions and individuals to invest in sound Massachusetts companies. But the agency's ability to provide this financing also hinges on decisions made in Congress to reform or restrict the program.

In late 1982, Massachusetts applauded Congressional enactment of reasonable reforms that eliminated abuses of revenue bond financing. Based on Massachusetts' experience and responsible use of the bonds, we felt that these reforms would ensure the preservation of the program's impressive job creation and economic development potential.

However, by mid-1983, long before any possible impact of the 1982 reforms could be assessed, some members of Congress launched yet another attack on the program. This renewed assault again rallied the small business community and other supporters to take effective action to preserve the revenue bond program.

As we look ahead, Congress still has pending a tax bill which includes severe restrictions on

industrial revenue bonds and other tax-exempt financing. We find particularly objectionable a provision setting an arbitrary cap for each state on several unrelated categories of tax-exempt financing, thereby raising the threat in 1984 of several groups—higher education, smaller business, and beneficiaries of pollution control, solid waste and other facilities—being pitted against one another for access to affordable financing.

Industrial revenue bonds are critical to the future aggressive growth of our economy, and Congress should not render the program ineffective. We also believe strongly that state and local authorities everywhere should continue working to eliminate the few legendary abuses which have resulted in criticism of the program.

Looking back over 1983, we would be remiss if we did not mark the departure of MIFA's founding executive director, Robert E. Patterson. He not only authored much of the MIFA legislation in 1978, but his leadership and creativity enabled MIFA to become a vital economic force in Massachusetts with a reputation of professionalism and integrity.

We plan to build on Bob Patterson's initial success through sponsorship of innovative financing tools such as the Guaranteed Loan Program. As we face the many challenges that lie ahead, we hope that MIFA's beginning



half decade will be remembered as an important first chapter in the agency's contribution to the Commonwealth's economic resurgence.

Respectfully submitted,

*Robert A. Chadbourne*

Robert A. Chadbourne, Chairman

*Charles F. Kireker*

Charles F. Kireker, Executive Director

*Marijo McCarthy*

Marijo McCarthy, Deputy Director



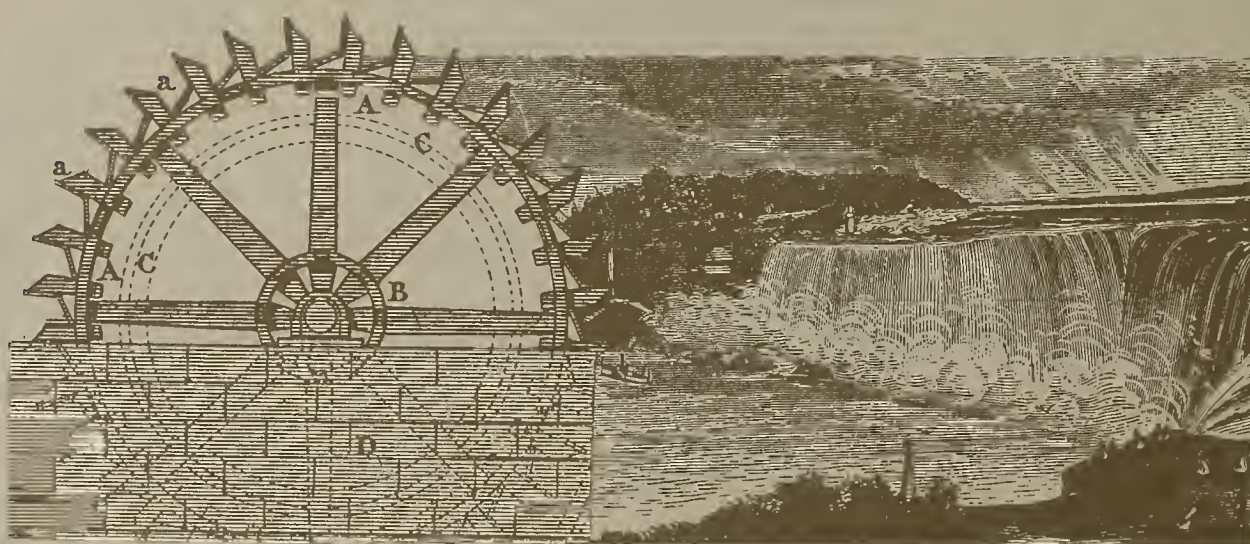
## Western Massachusetts

In Western Massachusetts, which includes Franklin, Berkshire, Hampden, and Hampshire counties, many companies have grown and modernized, capitalizing on the area's accessibility to the mid-Atlantic states.

MIFA's experience in the area proves that industrial prosperity and downtown revitalization go hand-in-hand to create healthy communities. Since 1978 MIFA has approved 232 projects in these four counties totalling \$275 million; 153 of those were manufacturers who spent more than \$156 million in industrial revenue bonds and expect to add over 5,000 new employees to their payrolls.

In addition, more than \$60 million in bonds have been approved for nearly 40 Commercial Area Revitalization District projects in seven area communities. This has meant over 1.5 million square feet of new and rehabilitated downtown space and represented a total investment of more than \$44 million.

Established in 1906 to produce orthopedic shoes, New Balance Athletic Shoe Company used two industrial revenue bonds in 1983 to expand into Holyoke and Lawrence. Now internationally known for the manufacture of athletic shoes and accessories, New Balance purchased new equipment to increase and streamline production.



Producing paper has long been a vital industry to Western Massachusetts. Manufacturers used the area's abundant resources of water power, making paper to meet growing





demands. This water not only supplies power for machinery but also is essential to convert pulp into paper, as 100,000 gallons of water are needed to make one ton of paper.







Northampton has received national recognition for the rebirth of its central business district. Aided by local officials, the owner of a 148 year-old building on Main Street obtained a \$202,000 bond to restore the structure, which had been destroyed by fire. Today it contains attractive office and commercial space, a testimony to the city's revitalization efforts.

Ware Foundry is one of 204 metal and machinery fabricators that have used MIFA's financial incentives during the last five years. Pouring off white hot metal into molds, the company creates precise iron castings for machine tools, pumps, and presses for customers in the Northeast, California, and Texas.



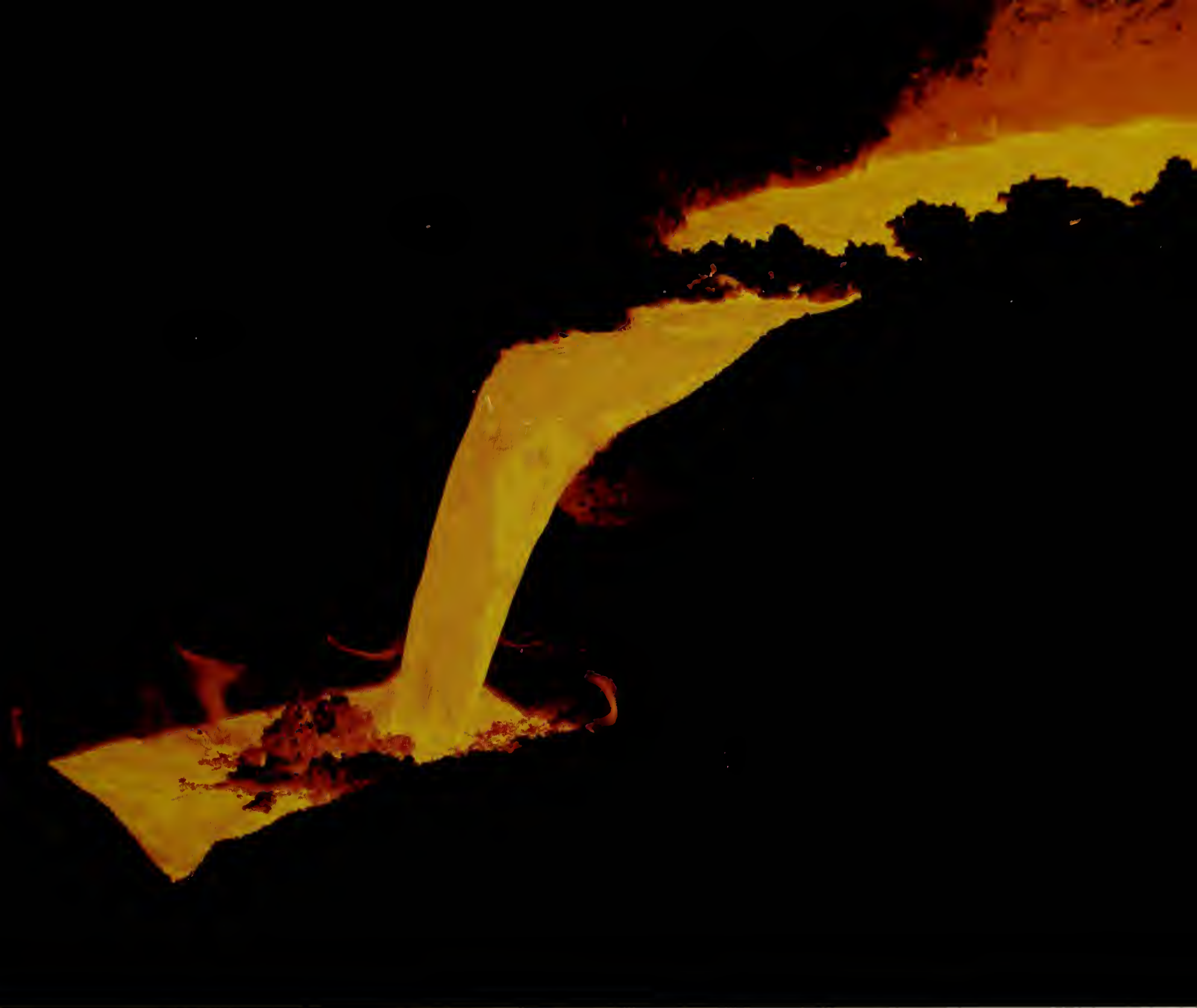
Small companies soon began producing envelopes, boxes, wall coverings, newsprint, custom ledger paper, and more recently, formica. When the Hoosac railroad tunnel was completed



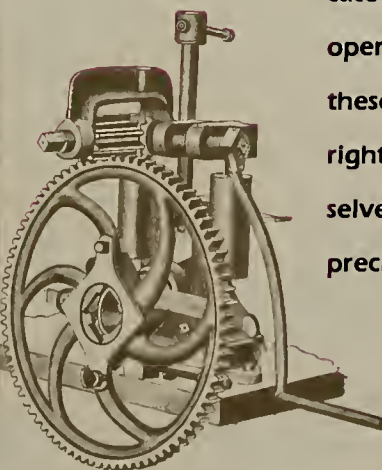
through the Berkshires in 1873, manufacturers could ship their products further west and increase their capacity to meet national demands. Metalworking shops sprang up in the area







to produce mammoth  
machines as well as  
parts for those  
machines. Today the  
region is known for  
the fine craftsmanship  
displayed by its work-  
ers. Whether using  
basic tools or sophisti-



cated computer-  
operated machinery,  
these companies still  
rightfully pride them-  
selves on their quality  
precision products.



## Central Massachusetts

Worcester County in Central Massachusetts has built an impressive tradition of industrial diversity since the early 1800's.

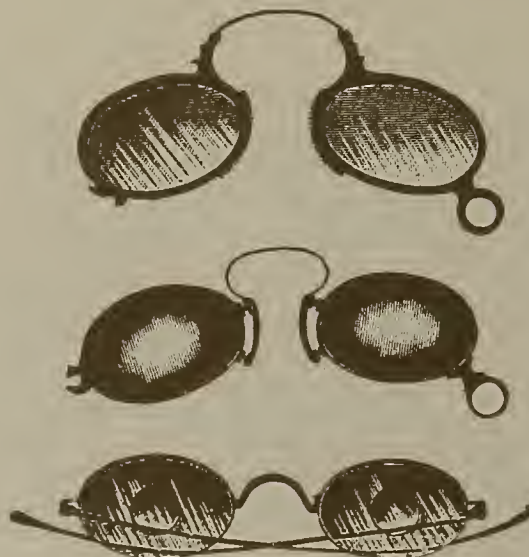
Worcester is the home of companies that produce machinery and metal components for manufacturers all over the world. Leominster firms benefitted first from the development of polymers, inspiring hundreds of new enterprises, and Leominster was soon named "The Pioneer Plastic City". Paper companies, printers and publishers in the Fitchburg area are growing again as well. Gardner's industries are still famous for the production of chairs, and the optical industry in Southbridge has come a long way since Ben Franklin's early experiments.

This diversity has also formed a healthy base for the creation of new firms. Since 1978 MIFA has approved 202 area projects totalling \$254 million, many for small companies. At the time of their application, nearly half had sales under \$5 million, and 64% employed fewer than 100 workers. However small, they are upholding a long tradition of growth and diversity.

Southbridge is known as a center of the optical industry, and United Lens Company is one of this town's largest employers. A \$1.8 million bond from MIFA helped the firm complete a 44,000 square foot addition to accommodate increased staff. Quality control checks shown here are completed on a precision optical thin film coating process which creates either a reflective or anti-reflective coating.



Massachusetts settlers moved westward, turning their talents from farming to creating basic products for industrial and consumer use. In 1812 the first wiremaking experiments were con-



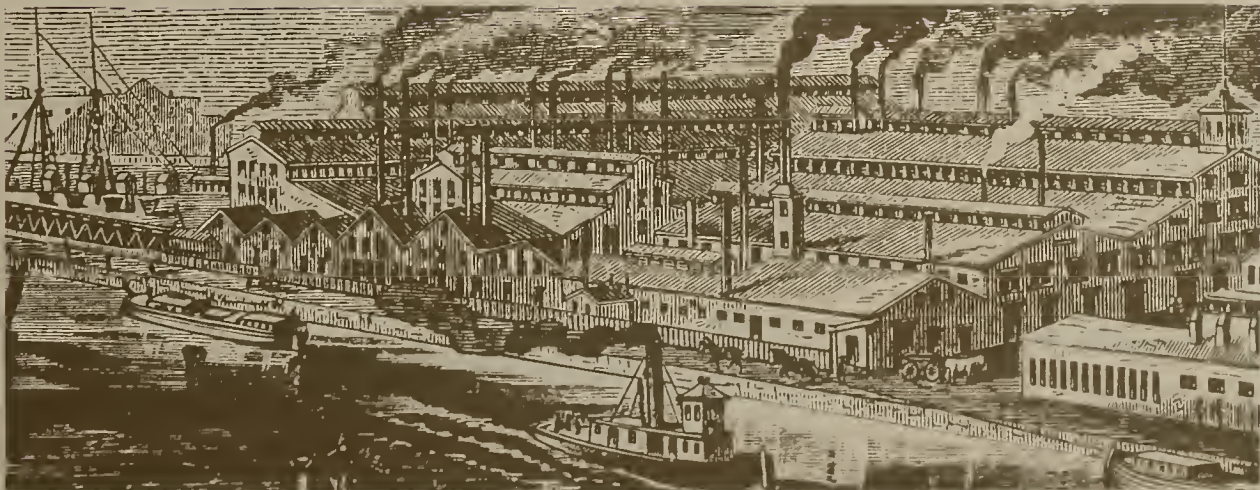
ducted. Worcester, "Cradle of the Wire Industry," was the site of the first American-made piano wire, telegraph cable, and insulated electrical wires and cables. Wire is today a basic com-







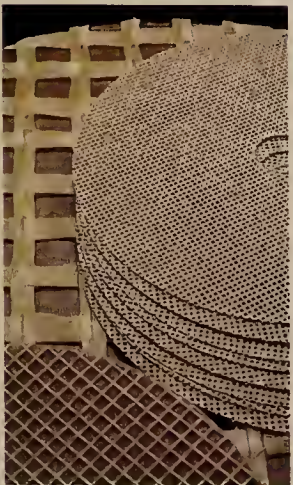
ponent for computers  
and other technologi-  
cal instruments.  
Leominster became  
famous in 1770 as the  
home of the comb-  
making industry.  
However, plastic was  
invented 150 years later.



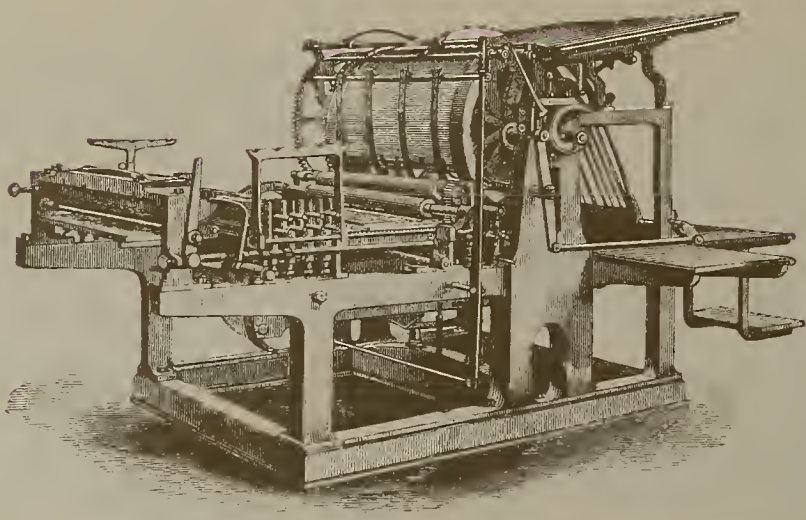




Elkay Products of Shrewsbury, established in 1964, produces disposable laboratory aids and medical and surgical supplies. With increased sales and production capabilities, the company has expanded its plant and purchased new sophisticated equipment, aided by two industrial revenue bonds totalling more than \$2 million.



Manufacturers adapted with the times, and today production of plastic items is the major industry in the area. The first printing press was brought to the state

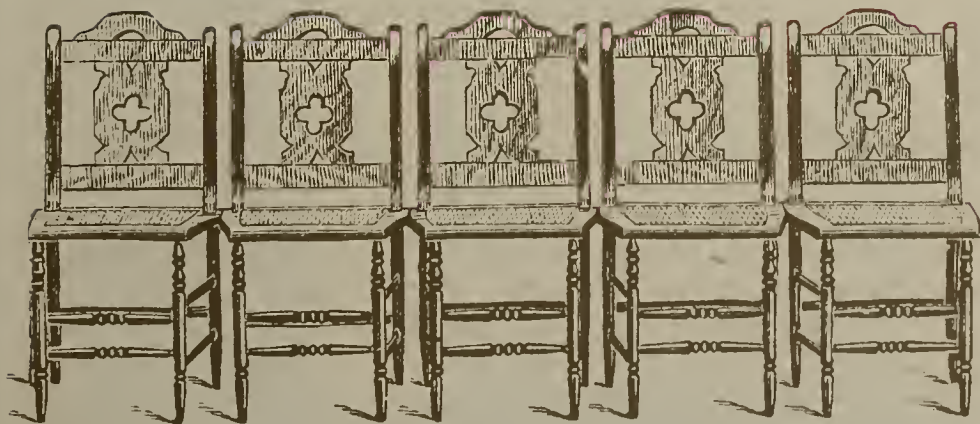




Modern Contract Furniture, part of Gardner's long tradition of quality-produced chairs and furniture, has expanded and grown with the aid of a \$325,000 industrial revenue bond. The company manufactures furniture for colleges and universities and employs 100 workers.



in 1638, only 18 years after Plymouth was settled. Book manufacturers and binderies have since prospered with printing and publishing companies. In 1805 artisans began



manufacturing furniture in Gardner, which soon became known as the "Chair City of the World." Its skilled workers helped build Massachusetts' reputation as a producer of quality goods.



## Metropolitan Boston

Metropolitan Boston, which extends to the "high tech" belt of Route 128, is also a center for many financial institutions, universities, international transportation facilities and traditional support industries. This concentration of resources helps explain the state's healthy economic standing today.

Since 1978 MIFA has approved 237 industrial revenue bonds for companies in the technology and electronic fields totalling \$404 million. These include a robotics manufacturer, several software and hardware companies, microwave research firms, and producers in the medical and genetic fields. Using MIFA's financial incentives, these young firms have created 20,000 new jobs since 1978 and constructed 5 million square feet of new space.

The unique partnership that has developed between high technology industries, older firms, and service companies has encouraged overall expansion and growth across the Commonwealth.

Private individuals reopened Boston Shipyard in 1983 using a \$1.6 million bond placed by Shawmut Bank and backed by MIFA's mortgage insurance. The company also received a Massachusetts Government Land Bank investment and an Urban Development Action Grant. A complete ship building and repair plant with the largest drydock facility in Boston, the company's orders in six months exceeded predictions for its entire first year of operation. The new company created 410 jobs and is among many traditional industries experiencing a rebirth with both public and private investment.



Since the Industrial Revolution in Massachusetts, machinery and tools have been a mainstay of industry. While producing apparel, plastics, and textiles was important to the state's economy,

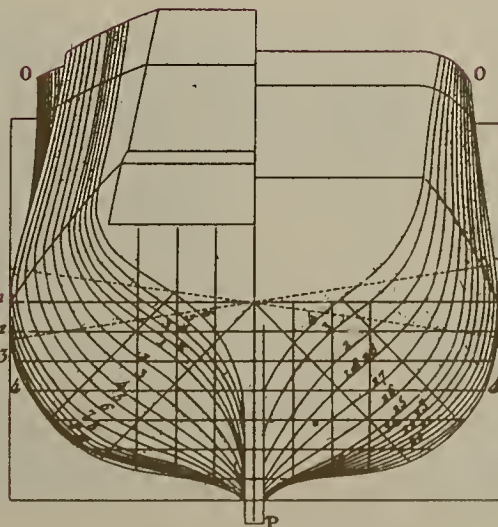


machines to manufacture those products were vital. Craftsmen's attention to detail can be seen everywhere, not only in manufactured goods but also in fine art. As early as 1631, carpenters pro-



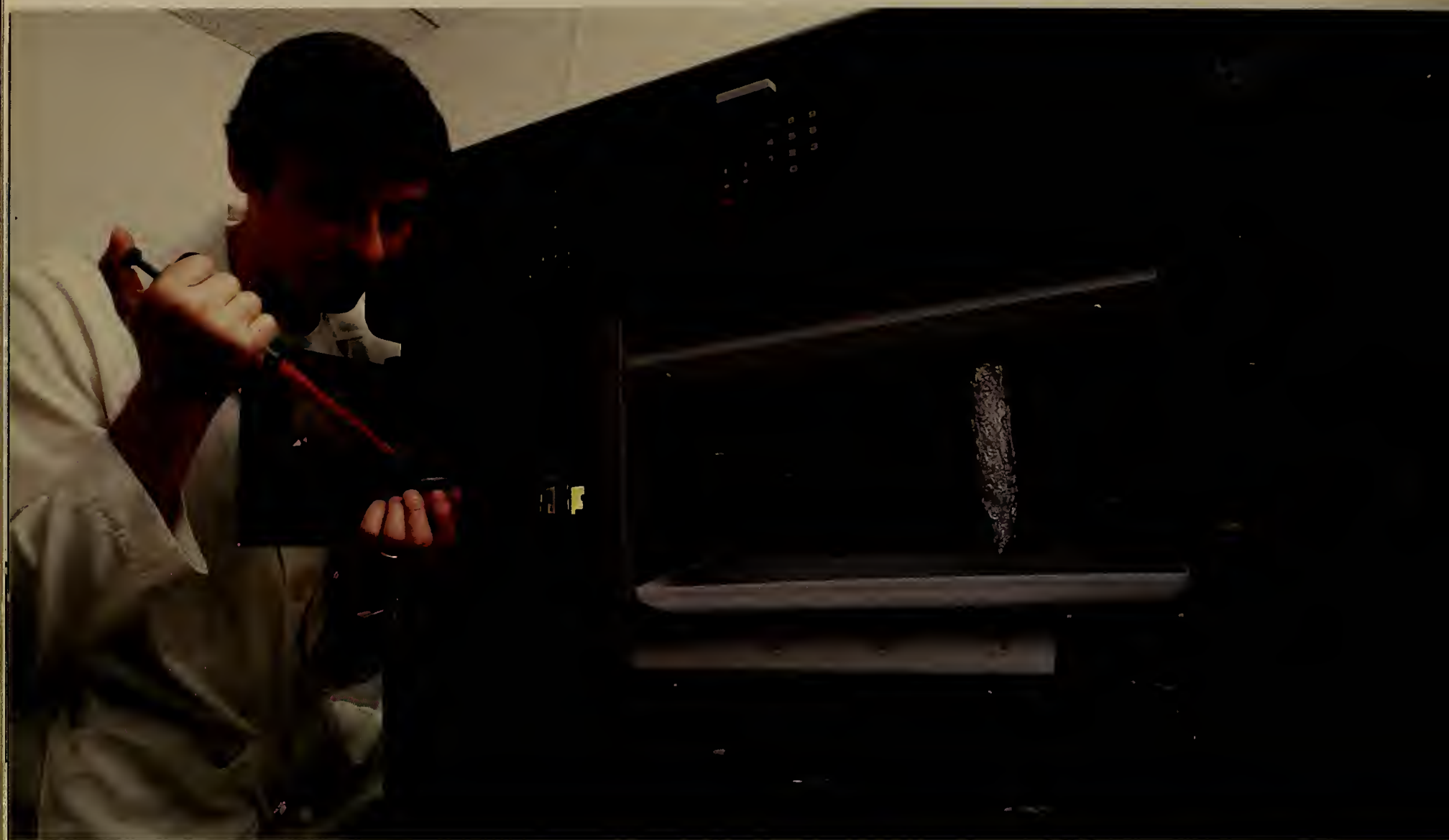


duced entire clipper ships in Boston harbor, America's busiest port. The area was the site of many firsts: Alexander Bell transmitted his first message from Mr. Watson's engine shop in Quincy's ship-



yard; Charles Good-year discovered rubber in Woburn In 1839; and the Stanley brothers drove the first steam-powered car through Water-town in 1897.

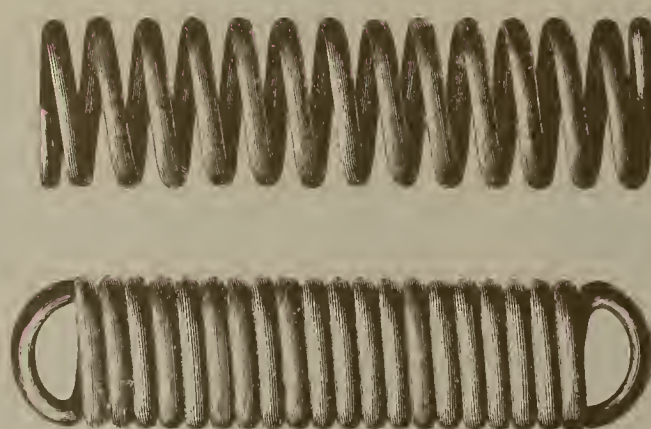




Integrated Genetics, established in 1981, has already outgrown its original space and is constructing a new facility in Framingham with proceeds from a \$3 million bond. Highly trained laboratory technicians constantly work to develop new, improved diagnostic products for genetic research, a growing industry in Massachusetts.



The diversity and number of manufacturers grew because there was a natural, readily available supply of goods and materials for inventive entrepreneurs. Locally educated and



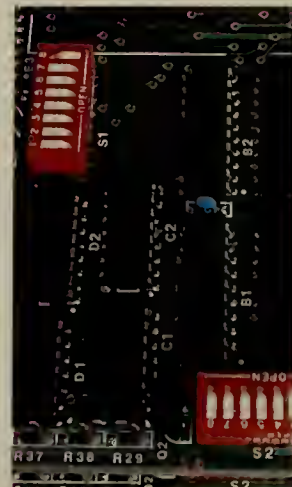
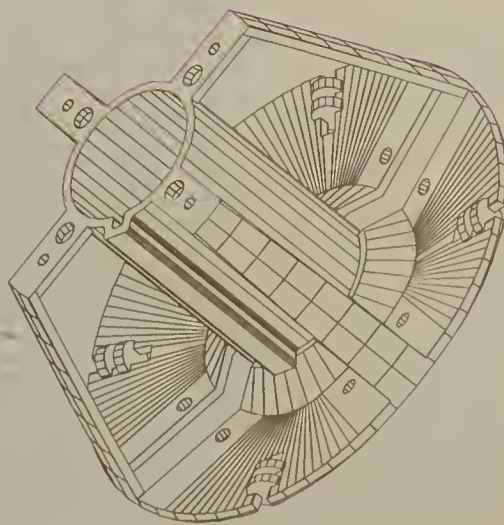
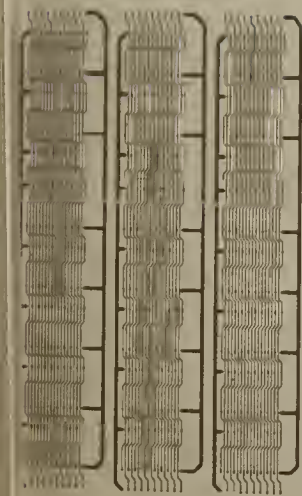
trained inventors, management specialists, machinery manufacturers, and components producers met each challenge by supplying their expertise to emerging companies.



House of Bianchi is nationally known for its finely detailed wedding gowns and accessories. Employing 280 workers today, the company used a \$590,000 bond to renovate a facility near the waterfront in Boston.



This has resulted in the state's leadership in developing innovative technology and myriad new products for markets throughout the world.





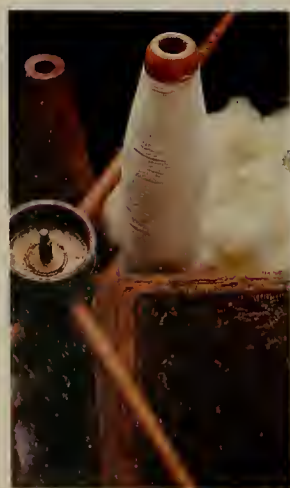
## Southeastern Massachusetts

Southeastern Massachusetts is blessed with natural resources, providing a haven for the tourist industry. Moreover, New Bedford fishermen harvest more seafood than any other eastern seaport. MIFA has approved bonds worth \$28 million for 22 fish processors since 1978. Other food processors, including a sausage company, a flour mill, a potato chip producer and a winery, have also used revenue bonds to expand.

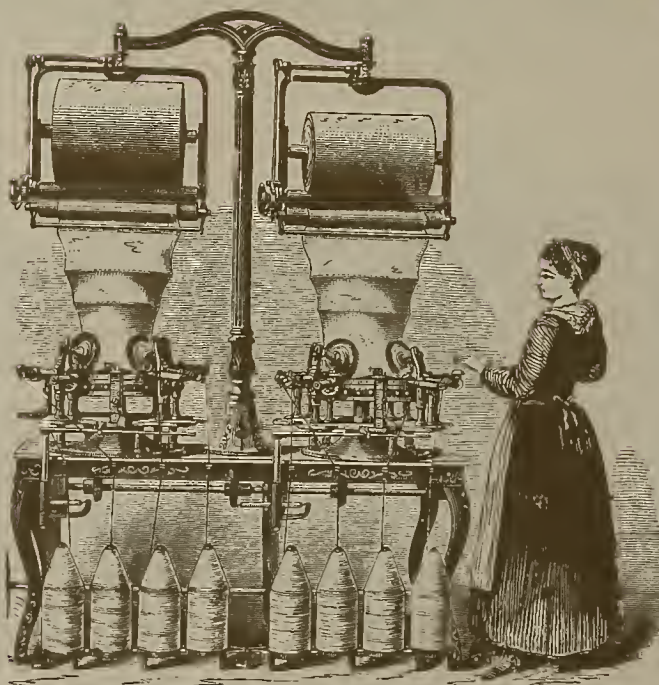
More than 6 million square feet of new space has been built since 1978, mainly in south shore industrial parks. Costing nearly \$180 million, these projects have also provided a substantial number of construction jobs.

The region, with its recently completed highway system and ample skilled labor force, shows promise for attracting "high tech" expansion. The process has begun. Of the area companies that used tax-exempt bonds in 1983, 38.9% were formed after 1970. This is the second highest concentration of new companies of any region in the state.

Fall River Knitting Mills, founded by the current president's grandfather in 1912, has grown so much during the last decade that its principals have been purchasing and renovating mill space to accommodate its growing workforce. An employee is shown here adjusting threads on a sewing machine to apply a design to eight sweaters simultaneously. This company's efforts to foresee trends and produce quality sweaters have been extremely successful.



When America was first settled, cloth from England was extremely scarce. Prices were regulated during the 1600's because demand was so high, and subsidies were then offered to cloth



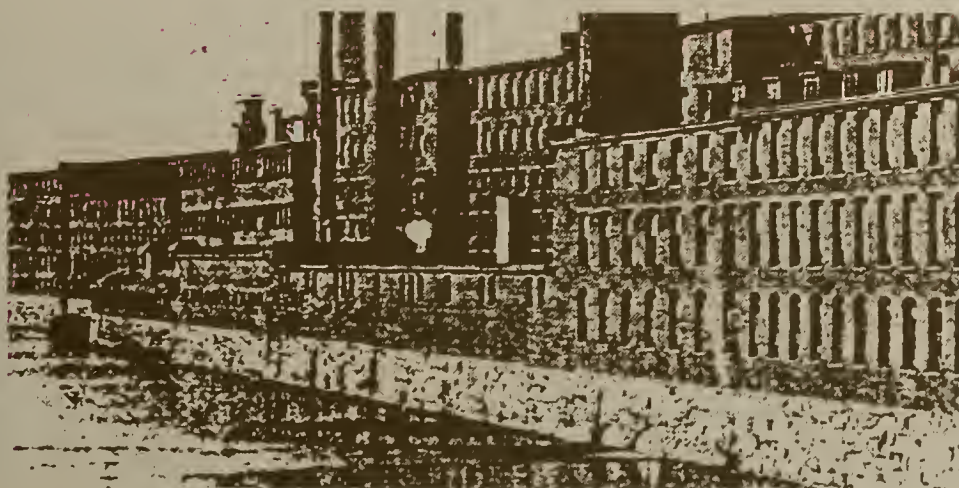
producers. Soon each town had to meet a quota of yarn and cloth production. After the Industrial Revolution spinning wheels became part of the past as machines were built that could produce







millions of yards of  
 textiles. Factories in  
 Fall River and New  
 Bedford made more  
 and more fabric to  
 meet ever-increasing  
 demands from all over  
 the world. Indeed, the



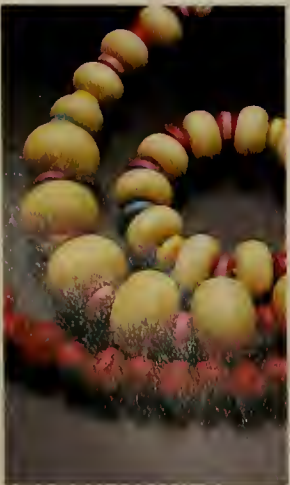
apparel industry in  
 Boston could never  
 have flourished so  
 well without the avail-  
 ability of the state's  
 textile production.







Located on Buzzards Bay, Sippican Ocean Systems produces state-of-the-art expendable environmental sensing devices that are launched from aircraft and ships. Data is then transmitted from the sensors to on-board data processing systems. The firm has expanded into new space and added 66 new employees during the past year, aided by a \$1 million bond.



In Attleboro, the American jewelry industry was established in 1780 by a still unknown French immigrant. Production expanded particularly when several local companies contracted



to make insignias and buttons for Union soldiers during the Civil War. Food processing has traditionally been important to this area. Massachusetts growers produce half the nation's

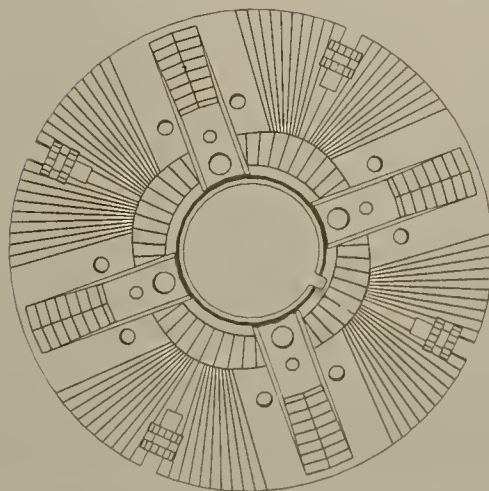




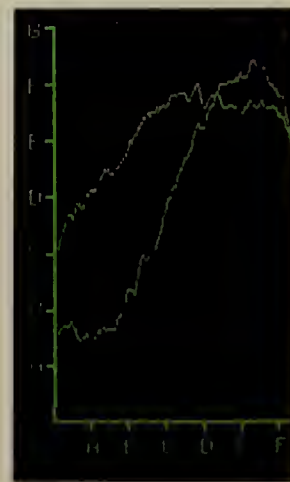
Some of the most exciting developments under the CARD program are mixed-use projects, a combination of commercial and residential tenants in one building. A former plumber's supply facility in New Bedford's Waterfront Historic District has been renovated with a \$1.3 million bond and a \$400,000 Urban Development Action Grant. The once-vacant structure contains retail space as well as market rate and rent subsidized apartments for the elderly.



cranberries while New Bedford is the center for harvesting flounder and scallops. The sea also provides opportunities for other creative companies. Local oceanographic research firms have



created many technologically advanced data and products for the free world. Using our few natural resources has proved profitable for Massachusetts entrepreneurs.

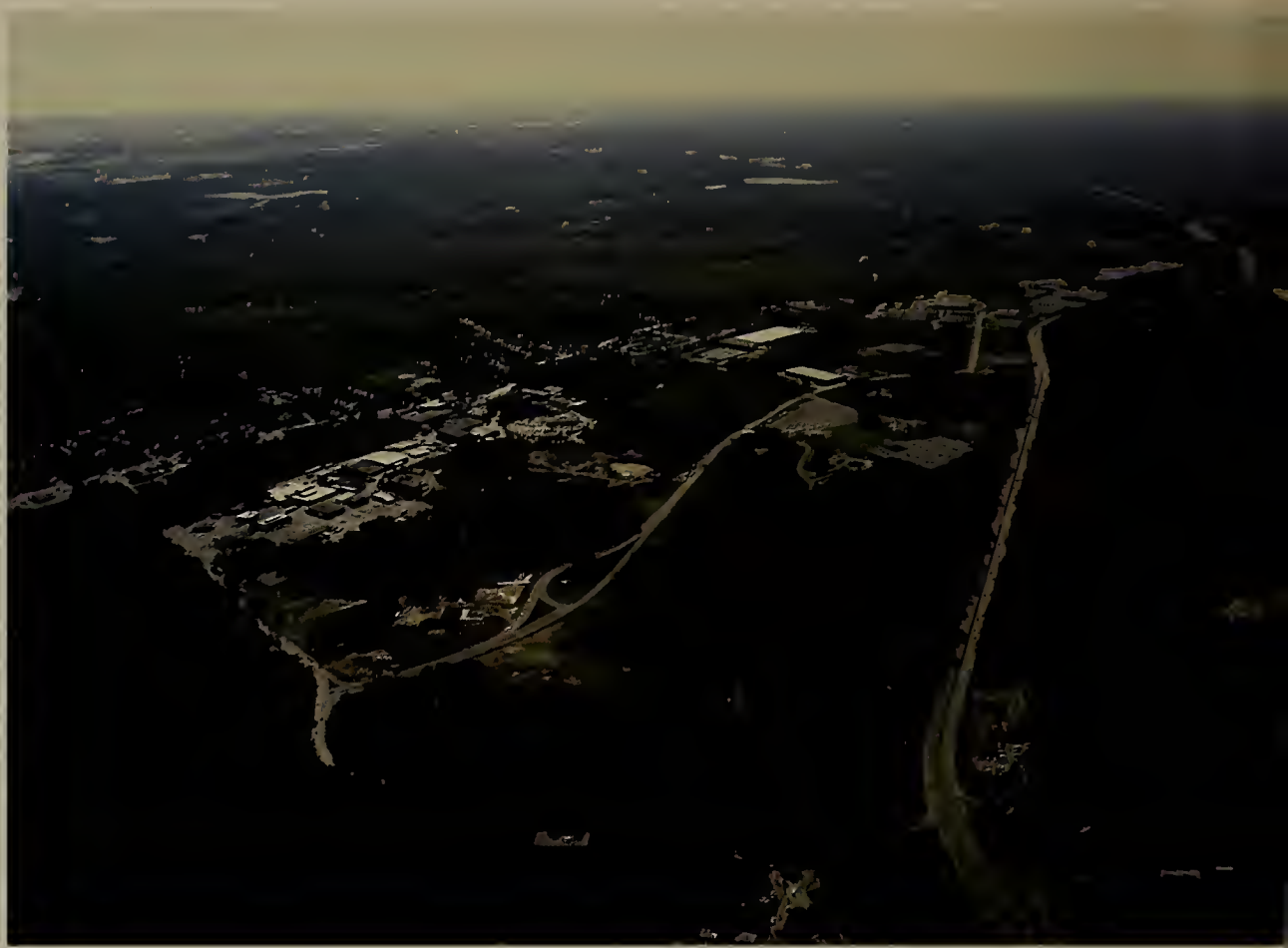




## Northeastern Massachusetts

Northeastern Massachusetts is the birthplace of several industries: shoe and leather enterprises in Salem, Peabody, and Lynn; frozen food processing in Gloucester; and textile manufacturing in Lawrence and Lowell. The Industrial Revolution in the 1800's spurred growth in these companies, and thousands of workers flocked to area cities.

Today these cities are coming alive again with an infusion of investment, much of it through MIFA's financial incentives. Since 1978, 3.2 million square feet of commercial and industrial space have been renovated in Northeastern Massachusetts at a total cost of \$44.4 million. This has become an economic method for companies to expand, particularly in this area. Progressive firms anticipate an even brighter future for these facilities than their illustrious past.



Construction in the 270-acre Centennial Industrial Park in Peabody has continued at an active pace ever since it opened in 1979. Eight companies have used industrial revenue bonds totalling \$17.3 million to expand there. Due to the park's success, the state has agreed to construct an access road directly from Route 128.



Stretching from the ocean through the Merrimack Valley, Northeastern Massachusetts has an extremely diverse history. Gloucester emerged as a fishing



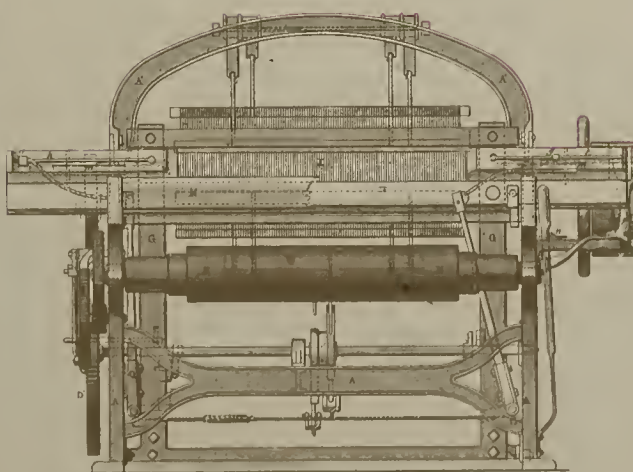
center more than 300 years ago, and that city still thrives on daily catches in Georges Bank and the Gulf of Maine. But the most dramatic story has unfolded in the Merrimack River Valley.



Renovations are nearly complete on the 120-year-old Wannalancit Office & Technology Center in Lowell. More than 280,000 square feet of a former mill complex are being converted for office and research and development use as well as display space for the National Park Service. Lowell has been a leader in downtown revitalization, where bonds totaling more than \$14 million have been spent in Commercial Area Revitalization District projects.



Lawrence and Lowell sprang up almost overnight in the 1800's when mills were constructed to produce cotton, wool and worsted. Women, the mainstay of the workforce,



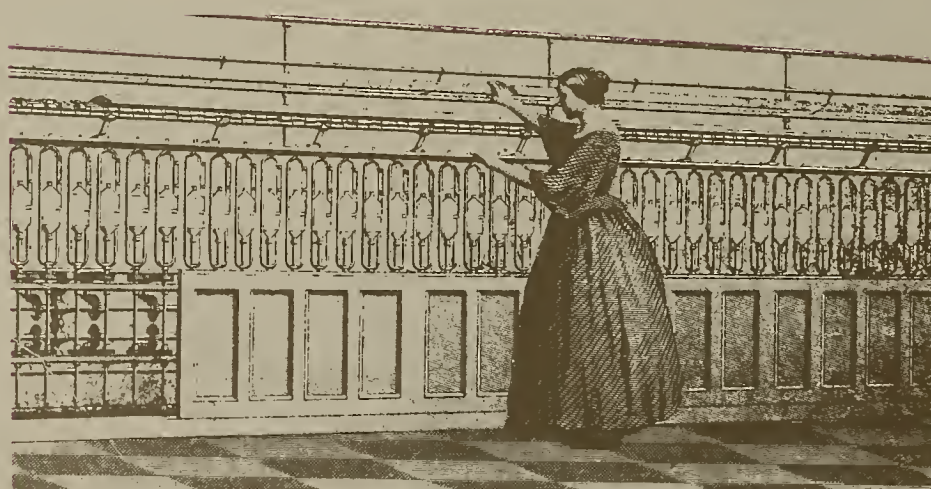
labored from dawn till dusk six days a week. In 1912, however, they initiated a successful strike to secure better working conditions. This prefaced the end of an era.





Greico Brothers, a manufacturer of high quality men's suits characterized by fine handiwork and detail, is one of 54 apparel companies that have used MIFA's financial incentives during the last five years. Aided by a \$2 million bond in 1983, the company consolidated its operations by purchasing and renovating a 150,000 square foot mill building in downtown Lawrence.

Seeing greater profits in the South, owners moved their companies out of the massive mills, leaving vacant monuments to prosperity and history. Decades of decline followed.



Today, however, many mills are being renovated for use as imaginative commercial, residential and industrial space, creating a new awareness of their potential, legacy and value.







**Western Massachusetts**

Company	Location	Bond Amount	Board Approval	New Jobs
Hoover Universal, Inc.	E. Longmeadow	\$ 2,000,000	3/21	10
North Adams Associates	N. Adams IDFA	4,300,000	3/21	150
American Pad & Paper Co.	Holyoke IDFA	650,000	4/7	2
Ware Foundry, Inc.	Ware IDFA	250,000	4/7	27
Ludlow Corp.	Ware	2,600,000	5/5	15
Lundy Mushrooms, Inc.	N. Adams IDFA	995,000	5/5	70
Rotman Rug Co.	Springfield IDFA	1,086,000	6/2	20
Zaks Associates	Holyoke IDFA	300,000	6/2	50
Bridgeport National Bindery, Inc.	Agawam IDFA	500,000	7/7	20
Gillespie Corp.	Ware IDFA	300,000	7/7	10
Frank's Berkshire Marine, Inc.	Pittsfield IDFA	180,000	11/3	4
Holyoke Water Power Co.	Holyoke IDFA	15,000,000	11/3	78
Ronnie's Cycle Sales	Pittsfield IDFA	110,000	11/3	5
Tech Tool Grinding & Supply, Inc.	Pittsfield IDFA	150,000	11/3	6
Abdow Corp.	Springfield IDFA	1,400,000	12/1	15
Morrison Berkshire, Inc.	N. Adams IDFA	1,325,000	12/1	50*
Quabbin Wire & Cable Co., Inc.	Ware IDFA	750,000	12/1	12
Dielectrics Industries, Inc.	Chicopee IDFA	750,000	12/15	25
KRH Rolls, Inc.	Orange	720,000	12/15	3*
Brimfield Precision, Inc.	Brimfield	300,000	12/28	15
Schoolhouse Associates of Westfield	Westfield IDFA	1,500,000	12/28	30
S&S Distributing Co., Inc.	Chicopee IDFA	1,700,000	12/28	35

**Central Massachusetts**

Company	Location	Bond Amount	Board Approval	New Jobs
New Method Plating Co., Inc.	Worcester IDFA	\$ 600,000	2/3	2
Polar Corp.	Worcester IDFA	750,000	2/3	30
Garbose Building	Gardner	330,000	3/3	50
Hillhaven of Massachusetts, Inc.	Various sites	7,000,000	3/21	*
Harvey Industries, Inc.	Fitchburg IDFA	700,000	4/7	10
The Horn Corporation	Ayer	1,200,000	5/5	10
New England Wooden Ware Corp.	Gardner	2,705,000	5/5	*
Glass Guard Industries, Inc.	Webster IDFA	1,000,000	6/2	16
Hillhaven of Massachusetts, Inc.	Webster IDFA	1,130,000	6/2	75
Wolverine World Wide, Inc.	Webster IDFA	1,150,000	6/2	1
ChemDesign Corp.	Fitchburg IDFA	1,100,000	7/7	65
Diagnostic Instrument Corp.	Ayer	525,000	7/7	21
R.J. Toomey Company	Worcester IDFA	415,000	7/7	3
Technographics Fitchburg Paper, Inc.	Fitchburg IDFA	8,000,000	8/4	*
Lewcott Chemicals & Plastics Corp./Polyclad Laminates, Inc.	Millbury IDFA	2,000,000	9/1	12
Woodblock Building	Leominster	1,300,000	9/1	30
Toys "R" Us, Inc.	Northborough IDFA	4,200,000	9/1	12
Merrimack Warehouse Co., Inc.	Ayer	1,000,000	10/6	15
Forty Four Main Street Realty Trust	Leominster	425,000	11/3	12
Photofabrication Engineering, Inc.	Milford	625,000	11/3	20
Boston Digital Corp.	Milford	3,500,000	12/1	75
Day Building Joint Venture Trust	Worcester IDFA	1,650,000	12/1	200
The Derby Company, Inc.	Fitchburg IDFA	800,000	12/1	†
Harvey Industries, Inc.	Auburn IDFA	1,000,000	12/1	15
L&P Converters, Inc.	Charlton	600,000	12/1	12
ModuForm, Inc.	Fitchburg IDFA	1,050,000	12/1	20
Near East Food Products, Inc.	Leominster	2,000,000	12/1	16
New England Knitting Mills, Inc.	Worcester IDFA	350,000	12/1	20
Norton Company	Northborough IDFA	1,000,000	12/1	50
Guilford Industries, Inc.	E. Douglas	3,000,000	12/15	250
P.J. Keating Company	Lancaster	350,000	12/15	3
Webster Spring Co., Inc.	Oxford IDFA	3,000,000	12/28	20



**Metropolitan Boston**

Company	Location	Bond Amount	Board Approval	New Jobs
Daniels Printing Co., Inc.	Everett	\$ 650,000	2/3	12
Raytheon Company	Lexington	1,000,000	2/3	53
Winthrop Printing Co., Inc.	Boston IDFA	905,000	2/3	21
Avco Corp.	Wilmington	1,000,000	3/3	400
Trodella Materials Handling Corp.	Winchester	303,000	3/3	18
Automatix, Inc.	Billerica IDFA	4,000,000	3/21	250
American Pro, Inc.	Westwood	500,000	4/7	7
EKE Realty Trust	Brookline	1,250,000	4/7	95
I.T.P. Boston, Inc.	Cambridge	575,000	4/7	25
Pilgrim Plaza Limited Partnership	Quincy IDFA	1,600,000	4/7	60
138 Portland Street Trust	Boston IDFA	1,900,000	4/11	65
Au Bon Pain Co., Inc.	Boston	1,280,000	4/11	7
Bay West Associates	Boston	2,150,000	4/11	20
NAD (USA), Inc.	Waltham	2,200,000	4/11	8
The Jenney Building	Boston	1,840,000	4/28	76
Acme Printing Co., Inc.	Medford	2,500,000	5/5	30
Ferno-Massachusetts, Inc.	Wilmington	1,400,000	5/5	30*
Purity Supreme, Inc.	Woburn IDFA	5,500,000	5/5	58
Goodway Graphics of Massachusetts, Inc.	Burlington	1,200,000	5/5	30

Company	Location	Bond Amount	Board Approval	New Jobs
Bulfinch Square Limited Partnership	Cambridge	\$ 6,700,000	6/2	15
Eikonix Corp.	Bedford	1,900,000	6/2	50
I. Fred DiCenso	Burlington	850,000	6/2	†
ManLabs, Inc.	Cambridge	1,400,000	6/2	5
Wicket Limited	Boston IDFA	250,000	6/2	6
Boston Shipyard Corp.	Boston IDFA	1,625,000	6/16	55
Bayside Associates Limited Partnership	Boston IDFA	1,000,000	6/16	**
Gerrity Company, Inc.	Boston IDFA	600,000	7/7	
K&P Realty Trust	Woburn IDFA	681,000	7/7	30
Marian Heath Greeting Cards, Inc.	Hudson IDFA	600,000	7/7	11
Tachisto, Inc.	Needham	513,000	7/7	8
Museum of Fine Arts	Boston	29,000,000	7/14	22
Avon Supply Company, Inc.	Wakefield	300,000	8/4	7
Cable Systems & Assembly Co.	Everett	1,480,000	8/4	264
Concept Industries, Inc.	Boston IDFA	950,000	8/4	203
Dial Merchandising Corp./Ideal Wine & Spirits Co.	Medford	1,100,000	8/4	12
Fortuna, Inc.	Cambridge	800,000	8/4	60
Franco L. & Lina D'Annunzio	Marlborough	750,000	8/4	10
Hypertronics Corp.	Hudson IDFA	900,000	8/4	30
Nonwovens, Inc.	N. Chelmsford IDFA	485,000	8/4	40
Boy's Club Building	Marlborough IDFA	1,000,000	8/4	150
Computer-Link Corp.	Wilmington	1,550,000	9/1	60
Data Packaging Corp.	Cambridge	1,500,000	9/1	10
Environmental Fire Protection, Inc.	Marlborough IDFA	650,000	9/1	5
Landmark Properties	Boston IDFA	3,850,000	9/1	350
Nuclear Metals, Inc.	Concord	4,062,000	9/1	*
B.L. Makepeace, Inc.	Boston IDFA	760,000	10/6	12
Boston University Bookstore	Boston	7,200,000	10/6	29

Company	Location	Bond Amount	Board Approval	New Jobs
Fiber-Taxis, Inc.	Bellingham IDFA	\$ 2,000,000	10/6	15
Joseph's Industrial Catering Corp.	Woburn IDFA	1,500,000	10/6	75
Medi-Tech, Inc.	Watertown IDFA	2,680,000	10/6	110
Sokoloff & Burford, P.C.	Maynard	300,000	10/6	4
Stavis Seafoods, Inc.	Boston IDFA	1,200,000	10/6	5
Vaisala, Inc.	Woburn	1,386,000	10/19	25
Damco, Inc.	Watertown IDFA	2,500,000	11/3	113
NEC Information Systems, Inc.	Boxborough	1,000,000	11/3	393
Needham at 128 R&D Trust	Needham	353,100	11/3	†
1240 Massachusetts Avenue Building Corp.	Boston IDFA	2,258,000	11/3	13
Scandia Trading Co., Inc.	Woburn IDFA	2,250,000	11/3	30
West Meeting House	Marlborough IDFA	450,000	11/3	50
Zymark Corp.	Hopkinton IDFA	660,000	11/3	75
Atlantic Plywood Corp.	Woburn IDFA	400,000	12/1	8
M/RAD Corp.	Woburn IDFA	700,000	12/1	10
Nimrod Press, Inc.	Boston IDFA	1,100,000	12/1	35
Shipley Company, Inc.	Newton	3,000,000	12/1	20
Donovan & Saviano	Woburn IDFA	415,000	12/1	38
Telelogic, Inc.	Somerville	1,500,000	12/1	97
Teradyne, Inc.	Boston IDFA	1,000,000	12/1	300
Waverly & Hollis Realty Trust	Framingham IDFA	1,275,000	12/1	165
1200 Beacon Properties, Inc.	Brookline	6,000,000	12/15	45

Company	Location	Bond Amount	Board Approval	New Jobs
D. Patapanian & Son, Inc.	Chelsea IDFA	\$ 1,600,000	12/15	15
Dynagraf, Inc.	Boston IDFA	1,100,000	12/15	20
Paramount Development Associates, Inc.	Marlborough IDFA	7,863,000	12/15	†
Robinson/Hines Co.	Waltham	1,000,000	12/15	†
United Diagnostics, Inc.	Natick IDFA	500,000	12/15	11
Upper Falls Limited Partnership	Newton	1,775,000	12/15	154
Adams-Russell Co., Inc.	Burlington	3,500,000	12/28	25
Controlonics Corp.	Westford	1,400,000	12/28	70
Coolidge Corner Convalescent Center	Brookline	6,100,000	12/28	200
Data Forms Company Inc.	Boston IDFA	1,100,000	12/28	30
Ken's Foods, Inc.	Marlborough IDFA	3,500,000	12/28	15
1010 Massachusetts Avenue Trust	Boston IDFA	1,000,000	12/28	17
Historic Hall Associates	Boston	2,750,000	12/28	49
Millis Corp.	Millis IDFA	1,800,000	12/28	40
Telelogic, Inc.	Somerville	3,150,000	12/30	98



**Southeastern Massachusetts**

Company	Location	Bond Amount	Board Approval	New Jobs	Company	Location	Bond Amount	Board Approval	New Jobs
Francis X. Messina	Braintree	\$ 680,000	2/3	40	Montaup Electric Co./Eastern Edison Co.	Somerset	\$ 40,000,000	8/18	**
Trio Algarvio, Inc.	New Bedford IDFA	850,000	2/3	24	Charles D. Sheehy, Inc.	Avon IDFA	700,000	9/1	4
Thayer Medical Building	Taunton IDFA	700,000	3/3	30	F.R. Knitting Mills	Fall River IDFA	1,600,000	9/1	55
Arch Gear Works, Inc.	Wareham	650,000	4/7	10	John Reiner & Co., Inc.	Stoughton IDFA	350,000	9/1	2
Coca-Cola/of Cape Cod, Inc.	Sandwich	1,500,000	4/7	11	Mini-Systems, Inc.	N. Attleborough IDFA	1,000,000	9/1	105
Katie Brooke, Inc.	Avon IDFA	1,200,000	4/7	12	Portal Metal Products, Inc.	Avon IDFA	525,000	9/1	12
MacDonald & Evans, Inc.	Braintree	750,000	4/7	20	Richard L. & Jean A. Kinchla	Falmouth	500,000	9/1	40
Econocorp, Inc.	Randolph	1,250,000	4/11	8	213 Turnpike Street Realty Trust	Stoughton IDFA	775,000	10/6	†
Hytex Industries, inc.	Randolph	940,000	5/5	8	The Alpine Press, Inc.	Stoughton IDFA	1,100,000	10/6	20
Russelectric, Inc.	Hingham	1,300,000	5/5	100	Best Manufacturing, Inc.	Stoughton IDFA	650,000	10/6	6
James M. Salah	Canton IDFA	1,735,000	5/16	†	Child World, Inc.	Avon IDFA	6,000,000	10/6	50
Garber Brothers, Inc.	Stoughton IDFA	1,000,000	6/2	20	Coastal Fisheries, Inc.	New Bedford IDFA	3,000,000	10/6	200
Madison Enterprises, Inc.	Wareham	435,000	6/2	21	Kingston Engineering, Inc.	Kingston	880,000	10/6	8
Phalo Corp.	Fall River IDFA	1,000,000	6/2	50	V.P. Winter Distributing Co.	Taunton IDFA	1,500,000	10/6	40
ReDemCo, Inc.	Avon	2,340,000	6/2	30	R.P.M., Inc.	S. Yarmouth	1,300,000	11/3	24
Advance Industries, Inc.	Attleborough	500,000	7/7	6	CDF Corp.	Marshfield IDFA	260,000	11/3	5
Commonwealth Wines, Ltd.	Plymouth IDFA	395,000	7/7	14	Forte Technology, Inc.	Norwood IDFA	317,300	11/3	6
E.C. Hilliard Corp.	Stoughton IDFA	600,000	7/7	17	H&G Realty Trust	Bourne	217,000	11/3	38
Neil Brown Instrument Systems, Inc.	Cataumet	400,000	7/7	30	Rosecraft, Inc.	Attleborough IDFA	325,000	11/3	23
Robert Reiser & Co., Inc.	Canton IDFA	1,900,000	7/7	4	Sprague Air Controls, Inc.	Hingham	700,000	11/3	50
T.W. Kutter, Inc.	Avon IDFA	500,000	7/7	5					
TACO, Inc.	Fall River IDFA	1,400,000	7/7	50					
Almeida Electrical, Inc.	Fall River IDFA	900,000	8/4	100					
Banner Systems of Massachusetts, Inc.	Brockton IDFA	550,000	8/4	5					
Chas. Gilman & Sons, Inc.	Taunton IDFA	850,000	8/4	12					
Fall River Partnership	Fall River IDFA	600,000	8/4	†					
Louis M. Gerson Co., Inc.	Middleborough IDFA	3,500,000	8/4	88					
Robinson Plumbing & Heating Supply Co., Inc.	Fall River IDFA	500,000	8/4	8					
Whitehall Pavilion Care Associates	Barnstable IDFA	3,345,000	8/4	72					

# Northeastern Massachusetts

Company	Location	Bond Amount	Board Approval	New Jobs
White Rock Products Corp.	New Bedford IDFA	\$ 1,700,000	11/3	25
CPC Incorporated	Randolph	2,000,000	12/1	110
E.T. Ryan Iron Works, Inc.	Raynham	1,200,000	12/1	20
Interstate Mat & Rubber Co., Inc.	Easton IDFA	575,000	12/1	9
Piccolo Sportswear, Inc.	Easton IDFA	450,000	12/1	16
Pop Tops Co., Inc.	Easton IDFA	187,000	12/1	4
Robbins Manufacturing Co., Inc.	Fall River IDFA	500,000	12/1	6
Bon Repose, Inc.	Barnstable IDFA	450,000	12/15	30
Chemlawn Corporation	Easton IDFA	1,050,000	12/15	80
Crafts Company	Canton IDFA	1,750,000	12/15	25
Decatur & Hopkins Company	Taunton IDFA	3,600,000	12/15	25
Franklin Sports Industries, Inc.	Stoughton IDFA	3,300,000	12/15	18
Greenwood Motors, Inc.	N. Attleborough	250,000	12/15	9
Leyden & Main Realty Trust	Plymouth IDFA	570,000	12/15	22
Reebok U.S.A. Limited, Inc.	Avon IDFA	750,000	12/15	23
Abel Industries, Inc.	Canton IDFA	3,000,000	12/28	10
Brittany Dyeing & Printing Corp.	New Bedford IDFA	600,000	12/28	25
Cape Cod Potato Chips, Inc.	Barnstable IDFA	1,200,000	12/28	28
Crown Cable Company	Taunton IDFA	3,700,000	12/28	33
Precision Electronics Corp.	Marshfield IDFA	400,000	12/28	7
South Shore Packing, Inc.	W. Bridgewater IDFA	1,000,000	12/28	15
James M. Salah	Canton IDFA	2,400,000	12/28	†

Company	Location	Bond Amount	Board Approval	New Jobs
Prim Dry Cleaners	Peabody	\$ 90,000	2/3	4
Revere Terminal Corp.	Revere	5,800,000	2/3	14
Massachusetts REFUSETECH, Inc.	N. Andover IDFA	160,000,000	2/25	50
Seventy Washington Street Realty Trust	Salem IDFA	1,000,000	3/3	119
Hillhaven of Massachusetts, Inc.	Various sites	6,585,000	4/7	1,323*
North Shore Children's Hospital	Peabody	625,000	4/7	24
Boston Acoustics, Inc.	Peabody	875,000	4/11	16
Lowell Metal Products, Inc.	Lowell IDFA	485,000	5/5	50
Wang Laboratories, Inc.	Lowell IDFA	1,000,000	5/16	300
CH Associates	Lowell IDFA	700,000	6/2	60
First Healthcare Corp.	Beverly	2,025,000	6/2	20
Lynn Economic Development & Industrial Corp.	Lynn IDFA	625,000	6/2	†
Wannalancit Office & Technology Center Trust	Lowell IDFA	1,000,000	6/2	300
Johnny Appleseed's, Inc.	Beverly IDFA	2,200,000	6/16	55
United Pipe and Steel Corp.	Lynn IDFA	350,000	6/16	10
Astro Circuit Corp.	Lowell IDFA	1,000,000	7/7	45
International Nut Corp.	Lowell IDFA	750,000	7/7	15
Technical Manufacturing Corp.	Peabody	1,200,000	7/7	10
Wannalancit Office & Technology Center Trust	Lowell IDFA	3,500,000	7/7	**



Company	Location	Bond Amount	Board Approval	New Jobs
Comins Products Company, Inc.	Lawrence	\$ 750,000	8/4	50
County Supply, Inc.	Lowell IDFA	700,000	8/4	6
Falk & White, Inc.	Methuen IDFA	600,000	8/4	15
Finelle Industries, Inc.	Lawrence IDFA	1,000,000	8/4	12
Babco Industries, Inc.	Danvers	3,000,000	9/1	40
GEM Giftwares, Inc.	Danvers	385,000	9/1	10
Glenn Manufacturing Co., Inc.	Lawrence	1,000,000	9/1	55
Wakefield Moving & Storage Co., Inc.	Danvers	1,550,000	9/1	25
Cohen Shoe Machinery, Inc.	Topsfield	580,000	10/6	5
G. P. Hale Company, Inc.	Gloucester	450,000	10/6	20
Harvey Paul, Inc.	Amesbury IDFA	350,000	10/6	24
Market Place Trust	Ipswich IDFA	600,000	10/6	5
New Balance Athletic Shoe, Inc.	Lawrence IDFA	1,650,000	10/19	350
Cape Pond Ice Company, Inc.	Gloucester	600,000	11/3	*
James W. Daly, Inc.	Peabody	4,000,000	11/3	25
Raytheon Company	Andover IDFA	1,000,000	11/3	124
West Lynn Creamery, Inc.	Lynn IDFA	3,500,000	11/3	50
Gilbert G. Campbell & Charles Matses/Lowell Firehouse	Lowell IDFA	700,000	12/1	50
Offices Unlimited, Inc.	Lawrence IDFA	1,250,000	12/1	30
The Flatley Co.	Danvers	3,000,000	12/1	†
B&W Press, Inc.	Danvers	650,000	12/15	15
Hudson Machinery Corp.	Haverhill IDFA	1,300,000	12/15	*

Company	Location	Bond Amount	Board Approval	New Jobs
New England Power Company	Salem IDFA	\$ 79,250,000	12/15	37
Sparcraft East, Inc.	Peabody	900,000	12/15	25
Wang Laboratories, Inc.	Haverhill IDFA	10,000,000	12/15	325
Dorman Bogdonoff Corp.	Andover IDFA	4,000,000	12/15	800
Hyde Athletic Industries, Inc.	Peabody	3,000,000	12/28	20
Chelsea Industries, Inc.	Lowell IDFA	1,700,000	12/28	38
Samuel Cabot Inc.	Newburyport	4,500,000	12/28	*
Saxon Manufacturing Co., Inc.	N. Andover IDFA	778,900	12/28	5

\*Indicates job retention.

\*\*Indicates CARD or pollution control projects without new employment.

†Although new job estimates are not listed, speculative projects must create new employment.

Employment is projected at time of loan approval.

## Approved Mortgage Insurance Commitments

Company	Location	Board Approval	\$ Insurance	\$ Loan	Project Cost	Projected Employment
Arrow Alloys, Inc.	W. Springfield	10/6/77	\$ 75,000	\$ 400,000	\$ 403,000	4
Creative Carving	Boston	12/1/77	49,000	50,000	64,000	24
Fabtron Corporation	Waltham	1/5/78	220,000	620,000	709,000	15
Merrimack Magnetics	Lowell	1/5/78	150,000	950,000	1,360,000	190
Millers Falls/DEDIC	Deerfield	2/2/78	90,000	177,000	869,000	200
		6/9/78				
Congress Technical Spray Co., Inc.	Dracut	5/4/78	150,000	400,000	467,000	17
Acme Canvas Co., Inc.	Malden	6/9/78	128,000	640,000	794,000	9
Carr Leather Company	Lynn	8/3/78	320,000	720,000	917,000	10
Hale-Moore Printing, Inc.	Fitchburg	8/24/78	106,500	355,000	395,000	23
Agromarine Industries, Inc.	New Bedford	8/31/78	180,000	480,000	671,000	125
Nielson Moulding Design Corporation	West Groton	9/19/78	175,000	525,000	663,000	120
Spring Fields Bakery Company	Springfield	9/19/78	45,000RE	225,000	350,000	114
			90,000E	225,000	280,000	
Fred V. Fowler Co., Inc.	Newton	11/2/78	100,000	500,000	705,000	15
Salvo Machinery, Inc.	Fall River	11/2/78	30,000	120,000	190,500	28
John Adden Furniture, Inc.	Lowell	11/20/78	40,000	140,000	164,000	17
Berkshire Tanning Corporation	North Adams	12/7/78	75,000	125,000	1,800,000	90
CFK Press, Inc.	Westwood	12/7/78	300,000	3,050,000	3,450,000	100
Astro Circuit Corporation	Lowell	3/1/79	145,000	1,300,000	2,476,000	132
Fish Chemical & Equipment, Inc.	Walpole	4/5/79	75,000	365,000	417,500	15
Holiday Realty Corp. (E. Demakes & Co., Inc.)	Lynn	4/23/79	250,000	950,000	1,689,000	30
Harris Environmental Systems, Inc.	Andover	6/7/79	95,000	845,000	968,000	35
Consolidated Fabricators, Inc.	Auburn	6/7/79	200,000	750,000	803,000	25
New England Book Components, Inc.	Hingham	7/5/79	200,000	825,000	1,648,000	20
Hub Mail Advertising Service, Inc.	Boston	7/5/79	375,000	1,840,000	2,315,000	45
Domenico, Inc.	Lynn	7/17/79	225,000	690,000	872,000	60
ModuForm, Inc.	Fitchburg	9/6/79	132,000	530,000	601,000	25
Northeast Offset, Inc.	Chelmsford	9/21/79	75,000	315,000	423,500	7
Salem Oil & Grease Company	Salem	11/13/79	168,000	600,000	625,400	3
Epicure Products, Inc.	Newburyport	12/6/79	110,000	1,310,000	1,622,000	20
Van Norman Machine Co., Inc.	Springfield	1/3/80	220,000	880,000	1,101,600	30
Denardo Wire & Cable Co., Inc.	Fitchburg	4/3/80	100,000	364,500	373,000	15
P&L Sportswear, Inc.	Boston	4/3/80	400,000	2,500,000	3,762,000	250
Main Street Associates	Fitchburg	4/3/80	210,000	700,000	1,091,500	200
Phalo Corporation/Transitron	Fall River	5/1/80	300,000	1,300,000	3,667,000	150
Armour Porter Company	Grafton	6/5/80	84,000	279,000	750,000	55
Display Components, Inc.	Westford	6/5/80	250,000	832,500	1,260,000	37
Yankee Box Co., Inc.	Randolph	7/10/80	100,000	500,000	750,000	12
RBS Manufacturing Corporation	North Andover	8/7/80	100,000	300,000	535,000	9
Elwell Iron Works, Inc.	Springfield	10/2/80	65,000	325,000	458,000	6
Rufus Choate Associates	Salem	11/13/80	32,000	160,000	192,000	12
Backer-Loring Corporation	Peabody	12/4/80	120,000	480,000	611,500	10
M.P.C., Inc.	Lowell	1/8/81	60,750	202,500	315,750	8
Communication Cable of Massachusetts, Inc.	Attleboro	3/11/81	160,000	400,000	591,000	50
Penco Industries, Inc.	New Bedford	4/2/81	72,500	290,000	366,735	12
L&J of New England, Inc.	Worcester	5/7/81	105,000	405,000	738,600	10
Techmet/Scharr Industries	Springfield	6/4/81	250,000RE	625,000	1,215,000	124
			163,000E	408,000		
Roman Plastics Company, Inc.	Wareham	7/2/81	83,000	333,000	377,246	6
Boston Scientific Corporation	Watertown	12/29/81	500,000	2,520,000	2,900,000	110
Findley Research, Inc.	Fall River	2/4/82	200,000	500,000	713,500	12
Bernardston Equipment Sales, Inc.	Hatfield	3/11/82	150,000	504,000	560,000	9
New England Organic Produce Center	Leominster	4/8/82	109,000	577,000	670,000	10
Morgan Industries, Inc.	Medford	9/2/82	80,000	252,000	355,000	*
Bay West Associates	Boston	5/5/83	537,500	2,150,000	2,650,000	20
Boston Shipyard Corporation	Boston	6/2/83	600,000	1,725,000	6,815,000	55
Wakefield Moving & Storage Co., Inc.	Danvers	9/1/83	250,000	1,550,000	2,112,437	25
Edward A. Sokoloff	Maynard	11/3/83	50,000	300,000	367,000	4
TOTALS	56		\$9,725,250	\$41,384,500	\$64,010,768	2,759**

\*These projects have job retention.

\*\*Employment is projected at time of loan approval.



## The Programs

The Massachusetts Industrial Finance Agency was established to administer a variety of economic development financing programs to assist expanding businesses throughout Massachusetts. The goal of MIFA's incentives is to create more jobs and expand incomes and the tax base by stimulating greater levels of investment by private employers. The incentive programs include:

### Tax-Exempt Industrial Loans

To entice employers to establish or expand their companies in Massachusetts, MIFA uses its exemption from federal income taxes to lower the interest rate on loans for manufacturing, research and development, warehouse and distribution firms, health care facilities, or pollution control projects. The financing must be used for the construction, acquisition, or improvement of plant and equipment located in Massachusetts which will create or retain employment within the state.

These loans are created as "industrial revenue bonds" and in many respects are very similar to conventional loans to finance real estate and equipment. Interest on the loan is exempt from federal income tax, and therefore the lender can grant the loan below current conventional interest rates. The lender evaluates the borrower's credit in the same way as it would for a conventional loan. The credit of the state, MIFA, or any local government is not pledged to repay the loan.

### Pollution Control Financing

Funding pollution control equipment can put a financial strain on a company. Required machinery increases the company's debt service costs without increasing its productivity and revenues. To ease the burden, tax-exempt financing is available for pollution control facilities for an individual company, large solid waste resource recovery plants, or hazardous waste facilities.

### Mortgage Insurance

Some firms with good growth potential, particularly younger or smaller firms, have difficulty obtaining loans to finance plant and equipment purchases. MIFA's mortgage insurance provides additional security for lenders by reducing their net exposure while increasing loan amounts to their customers. With MIFA's mortgage insurance, a company can borrow more of a project's cost, conserving its cash for working capital as it expands its investment in productive assets.

MIFA will insure conventional loans as well as tax-exempt loans. Important commercial buildings in CARD areas are also eligible for mortgage insurance.

### The Guaranteed Loan Program

In recent years smaller companies have been burdened with high real interest rates and unpredictability in long term borrowing. Unlike larger, rated companies, these smaller firms have individually been shut out of the public credit market, where beneficial long term, fixed interest rate financing continues to be available.

MIFA's new Guaranteed Loan Program will open this market to young and growing companies by pooling several projects, and issuing a guarantee for each bond in the pool. This will create an attractive marketable security to the average individual investor. MIFA has arranged for a major reinsurance company to reinsure a substantial portion of MIFA's guarantee commitment in order to enhance market acceptance for the bonds. Local banks will participate in this program through a small, renewable one-year letter of credit equal to one year's debt service for each borrower.

The guaranteed loans can cover up to 90% of the value of real estate and 80% of the cost on equipment loans. The loan for each real estate project can be as much as \$2.5 million. Industrial projects and certain buildings in CARD areas are eligible as under the traditional industrial revenue bond program.

### Assistance for Commercial Area Revitalization Districts

In addition to its financial incentives for industrial growth, MIFA offers tax-exempt financing and mortgage insurance to assist downtown revitalization projects. Commercial buildings and parking garages are eligible for tax-exempt loans if located within a Commercial Area Revitalization District (CARD). These districts are designated in a revitalization plan adopted by a community's governing body and then approved by the state's Secretary of Communities and Development.

Tax-exempt industrial revenue bonds can be helpful as local banking, business, and community leaders revive their downtowns by lowering the debt service costs for new or rehabilitated buildings.

Many cities and towns have established CARD plans and some have obtained federal Urban Development Action Grants to assist projects in those districts. Important buildings in CARD areas are eligible for MIFA's mortgage insurance. Improved properties within CARD areas may also qualify for certain tax credits and deductions under the state's Urban Job Incentive Program.

### Financing for Housing

Successful urban revitalization requires people living as well as working and shopping in commercial centers. A building within a CARD to be improved with tax-exempt industrial revenue bonds through MIFA may contain rental housing if the building also contains some commercial space. The financing must be used substantially for acquiring and rehabilitating existing buildings, not new construction.

The governing body of the municipality and the MIFA directors must vote after public hearings that the building is blighted and in need of assistance to be restored. A federal law requires that 15 or 20 percent (depending upon location) of the apartments in the building be reserved for low or moderate income persons for 20 years.



## Who Can Qualify

MIFA's goal is to use creatively the provisions of federal and state law permitting tax-exempt financing to stimulate private investment. Certain criteria must be met to qualify for MIFA programs.

1. All projects must create or retain employment in Massachusetts.
2. Projects to be used by manufacturing, research and development, or warehousing and distribution enterprises may be located anywhere in Massachusetts. All other projects must be located in a community's commercial center designated a "Commercial Area Revitalization District" (CARD).
3. No commitment or transaction should be undertaken before MIFA or a local industrial development financing authority (IDFA) gives initial approval for the project. If a local authority will issue the bond, the project must also receive approval by the governing body of the municipality (city council and mayor or board of selectmen).
4. The proceeds of the tax-exempt loan must be used strictly to acquire land, improve land, or purchase depreciable assets such as plant and equipment. Working capital and refinancings are not eligible. Certain costs and fees pertaining to the transaction may be included in the bond.
5. If the bond will exceed \$1 million, the owner and any user of more than 10% of the project must not make capital expenditures exceeding \$10 million in the same community as the project financed with a tax-exempt loan. This capital expenditures test covers the three years *prior to* and three years *after* the date that the loan is completed. If the project is partly financed by a federal Urban Development Action Grant, the capital expenditures limit rises to \$20 million, though the tax-exempt loan still cannot exceed \$10 million. In addition, certain types of facilities (parking garages, pollution control equipment) are exempt from any capital expenditures limitation.
6. A loan to be insured through MIFA's mortgage insurance program must:
  - A. Be secured by a first mortgage lien on the new or improved plant or equipment to be financed.
  - B. Create or retain employment in Massachusetts that is substantially full-time, non-seasonal, paying one and one-half times the minimum wage, and offering adequate fringe benefits, such as health insurance.
  - C. Not exceed 90% of the value of real estate or 80% of the cost of equipment securing the loan. The insured portion of the loan will vary in each case with the amount requested and the employment to be created and generally ranges from 10% to 40% of the loan.
7. Criteria for the Guaranteed Loan Program are substantially similar. Please contact the agency staff to discuss eligibility of individual projects.

## Steps to Follow

Once eligibility is determined, the tax-exempt approval process should move rapidly through the following critical steps. Loan closings are regularly achieved in 60 days.

### Step 1

Contact MIFA to determine eligibility of the project, refer to local IDFA if one exists in the project location, obtain ideas on possible funding sources and other potentially applicable programs.

### Step 2

Fill out a simple application form available from MIFA called a "Project Information Statement." Lawyers to serve as "bond counsel" should be selected at this stage by the borrower (with the proposed lender's approval, if possible).

### Step 3

Bond counsel will arrange for a public hearing to be held by the issuer. At that hearing or a subsequent meeting, MIFA or the local IDFA and the municipality's governing body will take the first vote to approve the project. This must occur before commitments for the project, including a purchase and sale agreement for property or a purchase order for equipment, are made.

### Step 4

Construction or purchase of the building or equipment may commence.

### Step 5

Negotiate final financing terms with the lender as lawyers complete the loan papers and research the usual zoning, title, and other legal aspects of the financing.

### Step 6

Submit final loan papers for approval by the local IDFA if it is to issue the bond, and then by MIFA's board of directors, or by MIFA only if MIFA is to issue the bond.

### Step 7

Upon MIFA's approval, MIFA will supply a Certificate of Convenience and Necessity, and immediately thereafter the loan can be completed.

### Mortgage Insurance

If insurance is requested, MIFA will need up to three weeks for an appraisal to be done, and accordingly MIFA should be called to commence the mortgage insurance processing as close as possible to Step 2.

### Projects to Include Housing

If the building includes any residential units, Steps 1 to 7 remain substantially the same, except that MIFA (not a local IDFA) must issue the bond. The public hearing must also include a vote to adopt certain findings regarding the proposed project. (Forms for the required notice and findings are available from MIFA.)

### Guaranteed Loan Program

If a project is to be included under the Guaranteed Loan Program, MIFA will need sufficient time to complete an appraisal and credit analysis. MIFA should be contacted early in the process.



Linecut illustrations courtesy of:

Merrimack Valley Textile Museum  
North Andover, Massachusetts

Professor Daniel Connerton  
North Adams, Massachusetts

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published by Rutledge Books, New York © 1976

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New York © 1979

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In addition, MIFA would like to thank the following for  
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